



# 秦皇岛港股份有限公司

## QINHUANGDAO PORT CO., LTD.\*

(a joint stock limited liability company incorporated in the People's Republic of China)  
Stock Code : 3369

# 2020

## CORPORATE SOCIAL RESPONSIBILITY REPORT



\*For identification purposes only



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# ABOUT THIS REPORT

This is the Corporate Social Responsibility Report (or Sustainability Report) published by Qinhuangdao Port Co., Ltd. for the fifth consecutive year to communicate with all the stakeholders about the Company's social responsibility concepts, work initiatives and performances, and respond to their needs.

## 1. RANGE OF PERIOD

From 1 January 2020 to 31 December 2020. The coverage of certain statements and data may go beyond the aforesaid period.

## 2. SCOPE OF REPORTING

The report covers the headquarters, internal departments and all branches and subsidiaries of Qinhuangdao Port Co., Ltd.

## 3. SOURCE OF DATA

The financial data in the report are extracted from the 2020 financial report of Qinhuangdao Port Co., Ltd. which is independently audited by Ernst & Young Hua Ming LLP; and other data are derived from relevant systematic statistics of the Company.

## 4. REFERENCES OF PREPARATION

The report is prepared in accordance with the Stock Exchange of Hong Kong Limited (the HKEx) Appendix 27 *Environmental, Social and Governance Reporting Guide* of the Rules Governing the Listing of Securities (Listing Rules), *the Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange*.

## 5. RESPONSE TO THE PRINCIPLE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

**Importance:** In order to prepare this report, the Company conducted a materiality assessment procedure to determine the truthfulness and accuracy of the contents disclosed in this report as well as the contents of each subject area. Material analysis results of 2020 are presented in the "Materiality Assessment" section.

**Quantification:** quantitative data was disclosed in the report for both environmental and social categories to demonstrate indicator and performance.

**Balance:** This report objectively discloses positive and negative information to ensure balance of the contents, of which negative indicators such as the number of corruption lawsuits and casualties of employees were disclosed.

**Consistency:** The indicators disclosed in this report disclose as much as possible the comparative data for two consecutive years based on actual management, helping readers to better understand the trend of indicators. Unless otherwise stated, the data disclosed in this report are based on the unified information collection process and working mechanism established by the Company to ensure that the data is comparable year after year.

## 6. DESCRIPTION OF SPECIFICATIONS

For the convenience of expression, "Qinhuangdao Port Co., Ltd." is also referred to as "we", "QHD Port" and "the Company".

## 7. ACCESS TO THE REPORT

You may browse or download the Chinese version of this report from the website of Shanghai Stock Exchange, or the Chinese and English versions from the website of Hong Kong Stock Exchange.

# CHAIRMAN'S STATEMENT

Dear readers,

2020 was an extraordinary and memorable year. Despite the severity of the COVID-19 pandemic and arduous reform and development tasks, the Company attached equal importance to pandemic prevention, production and operation. While focusing on marketing, expanding the market, optimising services and improving efficiency, the Company enhanced management and control through improving its mechanism, shored up weaknesses through catching up with advanced companies and guaranteed development quality through management elevation. With digital empowerment leading development and with the target of building a domestic leading intelligent port enterprise, the Company practiced the concept of green development, displayed the undertaking of a state-owned enterprise (SOE) and delivered satisfactory results.

**Responding to national strategies and expanding development patterns.** The Company followed key national development strategies and actively integrated new development concepts and patterns. Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company deeply implemented the guiding principles of all plenary sessions of the ninth session of the provincial Party committee and firmly seized the coordinated development of the Beijing-Tianjin-Hebei region, the planning on the construction of Xiong'an New Area, the joint construction of the "Belt and Road" initiatives, the construction of pilot free trade zones and other significant opportunities. While focusing on the corporate development positioning with the target of building a world-leading independent port operator for major dry bulk cargoes and guaranteeing national energy transportation and supply, the Company promoted the coordinated development of the Beijing-Tianjin-Hebei region and the construction of world-class ports in the Bohai Rim region, facilitated the transformation and upgrading of ports and strived to be a pioneer in the high-quality development of the coastal economic belt and the deep integration of port, industry and city. In 2020, the Company recorded a cargoes throughput capacity of 376 million tonnes.

**Encouraging innovative research and building intelligent ports.** The Company attaches great importance to technological innovation and actively promotes the progress of the industry. As one of the five port demonstration enterprises under the Ministry of Transport undertaking the Beidou demonstration project, the Company fully advanced the intelligent port demonstration project and other key projects to promote digital construction. It actively explored the application of cloud computing, big data, artificial intelligence and other modern technologies in the development of ports and improved the overall logistic efficiency at ports and customer experience to facilitate the digitalisation, informationisation and intelligentisation of the major comprehensive trade port.

**Practicing green development and guaranteeing safe ports.** The Company places a high value on the construction of green and ecological ports and facilitates systematic and standardised environment management. It actively constructs "green hubs" and "ecological harbors" and vigorously improves the terrestrial and marine ecology and environment of ports. Meanwhile, the Company highly values safety production, firmly establishes safety development concepts and fully implements responsibilities of entities on safety production. It carries out the construction of the "dual control" mechanism on safety production and standardised safety production to prevent and dissolve significant safety risks and endeavors to build an intrinsically safe port.

**Caring for staff development and actively returning to society.** Following the principle of serving employees with heart and soul, we actively safeguard employees' rights and interests and establish perfect training systems to boost staff development. We care for employees' life, aid impoverished employees and guarantee the sustainable development of the Company's human resources. Meanwhile, we continued to perform social responsibilities, advance the undertaking of an enterprise and performed the responsibilities of corporate residents to create value for the society by leveraging on its own professionalism and resources. We implemented targeted poverty alleviation, fully supported local government in fighting against the pandemic and devoted to cultural practice and volunteering services in the new times to pass love and warmth with practical actions.

**Seizing the moment to take actions with the blueprint drawn.** During the new journey, we will further leverage on the advantages of ports, optimise and integrate logistic resources of ports, upgrade intelligent logistic platforms and green intelligent ports and construct the port logistic ecosystem while focusing on the efficient development of the principal businesses of ports. We will join hands with stakeholders in promoting the sustainable development of the Company with higher quality and efficiency and strive to achieve the targets and tasks during the "14th Five-year" Plan period.

Cao Ziyu

Party Committee Secretary and Chairman of QHD Port

# COMPANY PROFILE

As a subsidiary of Hebei Port Group Co., Ltd. (河北港口集团有限公司), QHD Port is the world's leading independent port operator for major dry bulk cargoes. QHD Port was listed on the Main Board of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Stock Exchange") and Shanghai Stock Exchange (hereinafter referred to as the "SSE") in 2013 and 2017 respectively, and became the first state-owned enterprise in Hebei Province to lay out the A+H share dual capital platform. QHD Port mainly operates Qinhuangdao Port, Tangshan Caofeidian Port Zone and Cangzhou Huanghua Port Zone. The Company is mainly engaged in the business of stevedoring, stacking, warehousing, transportation and logistics services, and handles various types of cargoes including coal, metal ores, oil and liquefied chemicals, containers and general cargoes, with the throughput capacity kept above 300 million tonnes in recent years. Qinhuangdao Port is a global leading independent coal port and a dry bulk cargo port and a major hub port in the "North-South coal transportation" in China. Caofeidian Port Zone is a key transit port for ores in northern China. Cangzhou Huanghua Port Zone is an important emerging port in coastal areas in Hebei Province and is known as "a new channel for bridging the European and Asian Continents".

Facing significant development opportunities from the coordinated development of the Beijing-Tianjin-Hebei Region, the "Belt and Road" initiatives and the construction of the Xiong'an New Area in the future, QHD Port will leverage on the geographical advantage and experience in mature and efficient port operation and management, and adhere to the overall development concept of "stronger and better, transformation and upgrading, improving quality and efficiency, driven by innovation and achieving win-win in harmony", in order to let the company become a port industrial cluster operator of sound governance system, strong competitive advantage and leading economic benefit, combining with the roles of port operator, integrated logistics service provider and capital operator.

# UNDERTAKING RESPONSIBILITIES AND SHAPING A RESPONSIBLE PORT

## 1 UNDERTAKING RESPONSIBILITIES AND SHAPING A RESPONSIBLE PORT

### 1.1 Structure of Social Responsibility Management

QHD Port adheres to the corporate values of “contributing to the country, developing for the enterprise, creating value for customers, and fulfilling responsibilities for employees”. With the orientation of green, digital and market-based development and the target of high-quality development, QHD Port attached equal importance to pandemic prevention and production and operation and strived for promoting the construction of efficient ports, service ports, smart ports, green ports and safe ports, vigorously fulfilling and undertaking social responsibilities and practicing the duties as a corporate citizen.

The Environmental, Social and Governance (ESG) management structure of QHD Port consists of the ESG Working Group composed of principal responsible persons of all departments of the Company and regularly reports environmental and social policies and information to the Board of Directors. The Company arranged contact persons at the headquarters and all departments of branches and subsidiaries. Led by the Party Committee Work Department, it established the ESG Implementation Group specifically implementing concrete work in areas of ESG or social responsibilities and effectively assessing environmental and social risks and opportunities of the Company. In the ESG management structure, the Board of Directors of the Company bears responsibilities for our ESG strategies and reports and formulates the policies, strategies and targets of the Company’s sustainability management.



# UNDERTAKING RESPONSIBILITIES AND SHAPING A RESPONSIBLE PORT

## 1.2 Communication with Stakeholders

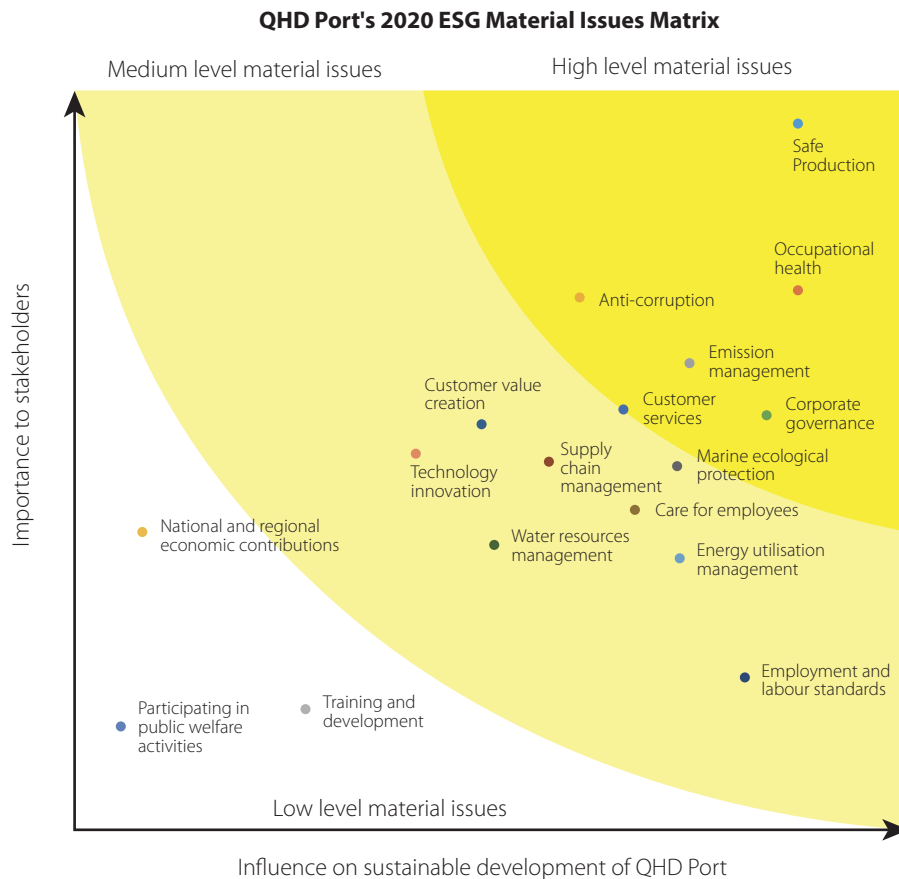
QHD Port attaches great importance to communicating with stakeholders. In 2020, the Company continued to establish more effective communication channels to learn about the opinions and suggestions of internal stakeholders such as employees and senior management, as well as the feedbacks and expectations of external stakeholders such as the government, customers, suppliers, media, partners, etc. on a regular basis.

Stakeholders	Requirements and Expectations	Communication and Response
Government	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Payment of taxes according to law</li> <li>Support for economic development</li> </ul>	<ul style="list-style-type: none"> <li>Conducting business in compliance with relevant laws and regulations</li> <li>Paying taxes according to law</li> </ul>
Investors	<ul style="list-style-type: none"> <li>Return on investment</li> <li>Growth of business and earnings</li> <li>Risk management</li> <li>Information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Regular disclosure of operational information</li> <li>General shareholders' meeting</li> <li>Investor summits</li> <li>Roadshows</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Provision of quality products and services</li> <li>Meeting customers' diversified needs</li> <li>Creation of value for customers</li> </ul>	<ul style="list-style-type: none"> <li>Assurance of service quality</li> <li>Protection of customer information</li> <li>Survey of customer satisfaction</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Protection of employee interests</li> <li>Sound development paths</li> <li>Protection of occupational health</li> <li>Work and life balance</li> </ul>	<ul style="list-style-type: none"> <li>Provision of good remuneration and welfare</li> <li>Improvement of career development paths</li> <li>Implementation of employee training</li> </ul>
Partners	<ul style="list-style-type: none"> <li>Open, fair and equitable purchase</li> <li>Compliance with contracts</li> </ul>	<ul style="list-style-type: none"> <li>Performance of contracts according to law</li> <li>Open tendering</li> <li>Project cooperation</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Energy saving and emission reduction</li> <li>Protection of ecological environment</li> </ul>	<ul style="list-style-type: none"> <li>Managing emissions</li> <li>Increasing efficiency of resources and energy used</li> <li>Participation in environmental protection welfare</li> </ul>
Society and the Public	<ul style="list-style-type: none"> <li>Engagement in community development</li> <li>Support for public welfare</li> </ul>	<ul style="list-style-type: none"> <li>Public welfare charity</li> <li>Volunteer services</li> <li>Poverty alleviation</li> </ul>

# UNDERTAKING RESPONSIBILITIES AND SHAPING A RESPONSIBLE PORT

## 1.3 Materiality Assessment

QHD Port assesses social responsibility issues that most concern stakeholders. In 2020, through various interactions and communications with stakeholders, learning about issues that concerned stakeholders, and a benchmark analysis of issues disclosed in sustainability reports of enterprises in the same industry, we identified 16 social responsibility issues covering five aspects including sound operations, value chain management, environmental responsibilities, employee responsibilities and social contributions strictly according to the requirements of HKEx Appendix 27, the *Environmental, Social and Governance Reporting Guide*. In 2020, we gathered opinions and suggestions from various stakeholders on social responsibility management work of companies as an important basis and guiding direction for the Company's future social responsibility management. Based on the assessment of all social responsibility issues by stakeholders and senior management of companies, we determined the material issues matrix for the Company's 2020 social responsibilities as shown below:





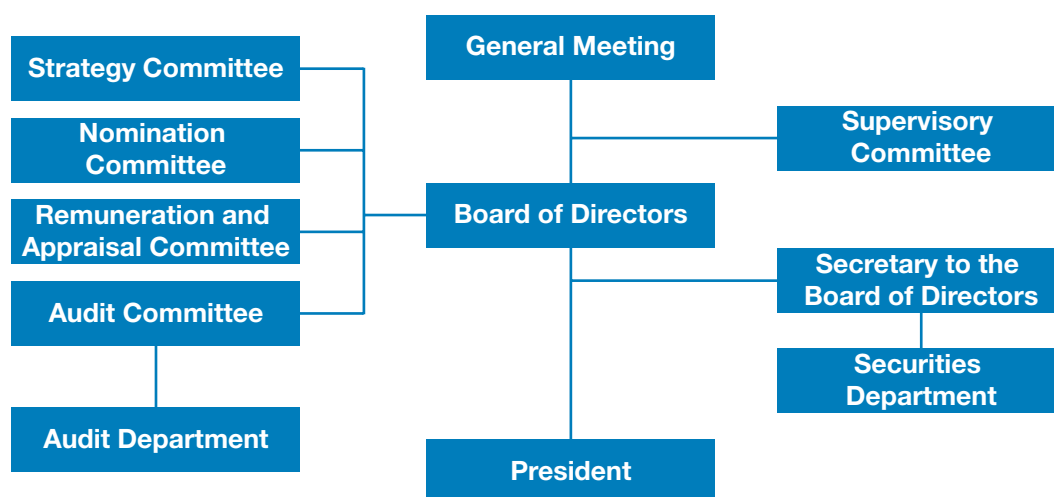
# ENSURING STABLE AND SUSTAINABLE DEVELOPMENT AND CREATING AN EFFICIENT PORT

## 2 ENSURING STABLE AND SUSTAINABLE DEVELOPMENT AND CREATING AN EFFICIENT PORT

QHD Port established a sound corporate governance system to guarantee the stable operation and sustainable development of the Company. Through strengthening the construction of the risk management system and implementing compliance operation and management, the Company enhanced its anti-corruption implementation to build an efficient and stable modern enterprise.

### 2.1 Improving Corporate Governance

In 2020, the Company strengthened communication with external directors and shareholders, fully reviewed advice from relevant parties regarding resolutions, and passed all resolutions through voting. Throughout 2020, QHD Port held a total of 7 Board meetings, 5 meetings of the Supervisory Committee, 6 working meetings of the Audit Committee, 1 working meeting of the Nomination Committee and 1 working meeting of the Remuneration and Appraisal Committee.



Despite the adverse impact of the COVID-19 pandemic in 2020, the Company took active actions and responded flexibly and maintained close contact with investors through telephone conferences, emails and SSE e-interviews. It mainly introduced active measures adopted by the Company to cope with the pandemic and the remarkable results achieved in transformation and upgrading, which effectively improved the transparency of information disclosure, further enhanced investors' understanding of the Company and ensured the smooth communications between the Company and the capital market. Throughout 2020, the Company completed filing of 199 announcements and documents on domestic and overseas information disclosure platforms and was visited by shareholders, investment institutions and investment banking analysts and arranged over 100 relevant telephone meetings.

On 12 June 2020, the Company organised and carried out an online investors meeting, in which they conducted an in-depth communication and exchange with investors through its online interactive platform. It provided a convenient channel for investors to fully understand results, compliance governance, development strategies and operations of the Company as well as other concerns over the Company and displayed an excellent image of the Company in the capital market.

The Company actively implemented securities regulation requirements, assisted investors in enhancing risk prevention awareness and consistently strengthened investors' education and protection. In November 2020, QHD Port was awarded the "Golden Ox Award – Prize for Annual Investors Relations Management" as part of the 22nd "Golden Ox Award" for listed companies organised by China Securities Journal.

# ENSURING STABLE AND SUSTAINABLE DEVELOPMENT AND CREATING AN EFFICIENT PORT

## 2.2 Strengthening Risk Management and Control

A sound risk management system is an important guarantee to the sustainable development. Following the *Overall Risk Management System of Qinhuangdao Port Co., Ltd.* 《秦皇島港股份有限公司全面風險管理制度》, the Company established a risk identification and prevention mechanism. Based on the characteristics of different businesses and the external environment, it specified the risk appetite and tolerance for different types of risks and adopted risk management strategies applicable to the Company. It conducted necessary risk assessments on management at all levels to prevent and assess risks through enhancing management and control of adverse incidents and the inspection of hidden hazards in the routine operation and management as well as the supervision on external risk information.

In 2020, the Company handled its business development and risk management in a scientific manner and actively improved its management system of strategic risks, financial risks, investment risks, safety risks, legal risks and other core risks. It adhered to compliance operation, implemented risks management throughout the entire process of business development and followed the policy of attaching equal importance to strategic orientation and risk management and control to enhance the risk prevention capability and management and guarantee the stable operation and sustainable and healthy development of the Company.

### Case study: Risk management trainings

In October to November 2020, the Company carried out employee risk management trainings to enhance awareness of risk prevention and control. The trainings were conducted in three sessions with a total of 153 full-time and part-time risk management employee participants.



Risk management trainings

# ENSURING STABLE AND SUSTAINABLE DEVELOPMENT AND CREATING AN EFFICIENT PORT

## 2.3 Adhering to Compliance Operation

Compliance operation is the cornerstone for the sound development of the enterprise. We adhere to the basic principles of corporate governance according to laws and punishment on violation of laws and follow the changes in policies and regulations to ensure that the Company achieves a 100% legal review rate for important operation decisions, rules and regulations as well as major contracts. Active efforts are made on publicity and education for rule of law within the Company to gradually build the concept that everyone shall comply with law at its own initiative (人人合規、主動合規). Based on the requirements of the *Guideline on Regulating the Compliance Management of Enterprises of the Provincial SASAC (For Trial Implementation)* (《省國資委監管企業合規管理指引(試行)》), the Company advanced the construction of high-standard corporate compliance management systems, streamlined and improved rules and systems, identified compliance risks and specified responsibilities and divisions on compliance management.

QHD Port abides by and implements the *Supervision Law of the People's Republic of China* (《中華人民共和國監察法》), *Certain Standards on Integrity Governance of CPC Members, Leaders and Cadres* (《中國共產黨黨員領導幹部廉潔從政若干準則》), *Rules on Supervision and Law Enforcement by Supervisory Authorities* (《監察機關監督執法工作規定》) and other relevant laws and regulations, established complete policies and systems on building a clean and honest party and anti-corruption and implemented them in practice.

Focusing on the significant decisions and deployments of the CPC Central Committee and the superior Party committees, the Company strengthened supervision on the implementation of new development concepts, the three-year action plan on SOEs reform and the pandemic prevention and control to ensure the effective implementation of such decisions and deployments. It accurately and efficiently conducted routine supervision, focuses on the minority in key links, "four undesirable work styles", the selection and employment of staff, key sectors and key issues in production, operation and management and conducted 1,310 integrity conversations and 275 reminder conversations and summoned 133 persons to practically rectify minor issues at an early stage and prevent possible issues. The Company fully inspected risk points in project construction, production business, investment management and power operation in other sectors, explored and formulated 16 *Lists for Supervision*, which specified 839 items under supervision and inspection and integrated political supervision into the full process of the power operation of enterprises.

In 2020, the Company conducted a warning education activity with the theme of "strictly following disciplines, holding the bottom line and bravely undertaking responsibilities" among all Party members and cadres. It convened warning education conferences, carried out subject-based learning on Party regulations and disciplines, held lectures on warning education and tutoring and had integrity talks to consistently deepen the publicity and education on building a clean and honest party. The Company enhanced the construction of integrity culture, prepared and distributed the *Learning Materials for Subject Warning Education*, opened the special column of "Integrity Class" on the official WeChat account of the Group, twittered 36 articles, and required Party members to be examples with loyalty, integrity, undertaking and practical work. Party organisations at all levels have held 192 education activities on Party regulations and disciplines so far, covering 6,917 Party members and cadres. It also initiated the "year for the establishment of systems" and formulated and revised 13 rules and systems on Party and corporate governance.

During the Reporting Period, the Company investigated 10 disciplinary cases with no case being transferred to judicial authorities and no legal proceedings regarding corrupt practices within the Company.

# UNDERTAKING ARDUOUS TASKS AND BUILDING A SERVICE PORT

## 3 UNDERTAKING ARDUOUS TASKS AND BUILDING A SERVICE PORT

QHD Port actively responded to state strategies to build a transportation power and shipping power and consistently optimised port functions to improve the Company's core competitiveness, speeding up its transformation and upgrade, and advancing the high-quality development of ports; focusing on the coordinated development of the Beijing-Tianjin-Hebei region, the construction of Xiong'an New Area and fully leveraging on overall advantages in resources to seek strategic operation; conducting scientific layouts on the "Belt and Road" initiatives to achieve cross-regional transformation and development; and deepening the gridding service management system and improving supplier management to vigorously build a service port.

### 3.1 Promoting High-quality Development of Ports

As the world's leading operator of public ports for dry bulk cargoes, QHD Port operates a total of 71 modern professional berths in Qinhuangdao Port, Tangshan Caofeidian Port Zone and Cangzhou Huanghua Port Zone and handles various types of cargoes including coal, metal ores, oil and liquefied chemicals, containers and general cargoes and has established a port logistics chain with stevedoring, stacking, warehousing, transportation and other fundamental services as well as freight forwarding and multimodal transport. In 2020, the Company established and deepened the gridding marketing management system, proactively expanded markets, promoted the transformation of the industrial structure and deepened external operation, which improved the transportation efficiency and further expanded the transportation supply capabilities. In 2020, the Company recorded a throughput capacity of 376 million tonnes.

#### Coal Transportation Business

QHD Port is devoted to ensuring stable energy supply and serving people's livelihood. In 2020, the Company issued the *Interim Regulations on the Gridding Marketing Management on Coal Business* (《煤炭業務網格化營銷管理暫行規定》), established an all-around market analysis and estimation mechanism and closely followed market trends through studying the market, enhancing judgment, monitoring prices and establishing assessments to obtain information on the logistics process covering production, transportation and demand and making judgment on the future market trends. The Company fully advanced standardised operation of ports, optimised working processes, shortened the operation time of ship berthing and departure, loading and other links, strengthened special sites management, made scientific site layout and reasonably allocated port resources to improve the transportation efficiency. The Company actively improved service functions, enhanced service awareness, focused on maintaining a fair and impartial business order in ports, improved the efficiency in solving complaints from customers and guaranteed the accuracy of the measurement with rail weighbridges (軌道衡) and surveyors to improve the freight quality and services. Following the principle of "mutual benefit and win-win results" and based on the changes in market conditions, the Company appropriately introduced flexible policies and endeavored to meet the customised and reasonable requirements of customers, consistently expanded long-term lease and cooperation and deepened the cooperation with high-quality customers.

In 2020, the Company recorded a coal throughput of 219.24 million tonnes.



Operation Sites for Coals



# UNDERTAKING ARDUOUS TASKS AND BUILDING A SERVICE PORT

## Metal and Iron Ore Transportation Business

In 2020, the Company continued to proactively expand markets on the basis of stabilising the current metal and iron ore business. With Qinhuangdao Port as the place for the transit, collection and distribution of copper concentrates, the Company recorded an increase of over 1 time in the import of copper concentrates and newly launched trans-shipment for domestic trade and the “dry bulk cargoes of copper concentrates to containers”. The Company put consistent efforts towards the strategic target of “enjoying Shanxi, Hebei, Shandong and Henan and expanding to Shaanxi, Gansu, Ningxia and Inner Mongolia” and developed resources in central and western China. Employing the advantages of Shuozhou-Huanghua Railway, the Company developed manganese ores, chromium ores, petroleum coke and other various cargos with water and elaborately established the “Huanghua Port – Handan-Huanghua Railway – Wuan Bonded Logistics Park – Steel Plants” supply chain. It expanded the “pendulum transportation” through railway in the logistics chain and successfully achieved night navigation of light vessels with a load capacity of 200,000 tonnes in Huanghua Port Zone, further enhancing the operation efficiency of ore vessels. Caofeidian Port Zone introduced various facilitation measures, simplified business processes and solidly improved the distribution efficiency of the ports through railway. It conducted stacking in a scientific and reasonable manner to safeguard the benefits of customers at port. It entered into agreements with strategic partner enterprises on mutual guaranteed volumes and prices, deepened the cooperation with overseas large mine enterprises, actively sought new customers and continuously carried out mixed ores and other value-added services. It completed mixed ores of 5.20 million tonnes throughout the year.

In 2020, the Company recorded an iron ore throughput of 117.67 million tonnes, representing a year-on-year increase of 11.0%.



Operation Sites for Iron Ores

# UNDERTAKING ARDUOUS TASKS AND BUILDING A SERVICE PORT

## Container Business

In 2020, the Company continuously stepped up efforts in market development of the container business and consistently improved the operation efficiency and services. It successively established “Suizhong Inland Site for Containers”, “Qian’an Inland Site for Containers” and “Shahe Yizhen Inland Site”, further boosting the influence of the hinterland of ports. It successfully carried out the business of “dry bulk cargoes of coal and copper concentrates to containers”, laying the foundation for the vigorous development of the container business in the future. The Company promoted the sea-rail transportation business and opened the “Qian’an-Qinhuangdao” container trains, ensuring the stable operation of the Erenhot cross-border trains. In addition, the Company continued to improve ports functions. In 2020, establishment of the site for regulatory operation by Customs in Huanghua Port Zone was approved, which vigorously promoted the opening of foreign trade lines. The Company actively practiced the coordinated development with port clusters in Tianjin and Hebei, enhanced the cooperation with Tianjin Port and opened the “Huanghua Port-Tianjin Port” daily service for containers to fully leverage on the reach of the main line of Tianjin Port and further expand the container business market.

In 2020, the total volume of the container business of the Company reached 1,345,000 TEUs, representing a year-on-year increase of 15.3%.

## General Cargoes Transportation Business

Facing the COVID-19 pandemic, the production restriction for environmental protection, overloading prevention on roads and other uncertainties in 2020, the Company proactively implemented the national requirements on “transformation from road haulage to rail-freight transport” and adhered to the “going out” strategy. It expanded the market to solicit sources of cargoes externally and promoted market-based reform internally, actively contacted customers, boosted efforts in market development and refined the organisation of production to improve services. Its general cargoes throughput hiked significantly and recorded growth against the trend during the outbreak of the pandemic. The general cargoes throughput in Qinhuangdao Port Zone exceeded 10 million tonnes. The Company consistently enhanced the cooperation with steel enterprises and the steel shipment recorded a significant increase year on year. Seizing favourable opportunities in work and production resumption vigorously promoted by the state and the recovered demand in the downstream infrastructure materials market, the Company actively developed customers and recorded significant growth in the shipment of cement, water slag, sandstone materials and other cargoes and successfully carried out road-sea-rail transportation of sandstone materials.

In 2020, the Company recorded a general cargoes throughput of 21.92 million tonnes, representing a year-on-year increase of 35.4%.



Operation Sites for Containers



Operation Sites of General Cargoes

# UNDERTAKING ARDUOUS TASKS AND BUILDING A SERVICE PORT

## **Case study: First batch of iron tubes from Qinhuangdao Port to Nigeria successfully shipped**

Nigeria is the biggest oil producer in Africa and the eighth biggest oil exporter in the world as well as a key partner under the joint construction of the “Belt and Road” initiatives between China and Africa. Through the cooperation between QHD Port and China Petroleum Pipeline Material and Equipment Co., Ltd., approximately 150,000 tonnes of iron tubes were shipped to Nigeria and put into the construction of a local petroleum pipeline project. On 30 December 2020, “Hualian” vessel successfully completed loading at the No. 23 berth for general cargoes at Qinhuangdao Port and shipped to Nigeria 13,227 tonnes of iron tubes and 10,300 tonnes of malts. This was the first batch of cargoes shipped to Nigeria by QHD Port as well as another significant result of Qinhuangdao Port in serving the “Belt and Road” initiatives.



First batch of iron tubes from Qinhuangdao Port to Nigeria successfully shipped

## **Case study: Providing marine transportation of bridge equipment for “Padma Bridge” in Bangladesh and facilitating the “Belt and Road” initiatives**

The “Padma Bridge” project is one of the cooperation projects under the “Belt and Road” initiatives signed during General Secretary Xi Jinping’s visit to Bangladesh. The Company has been actively providing marine transportation of bridge equipment for the construction of “Padma Bridge” in Bangladesh and facilitating the “Belt and Road” initiatives since 4 July 2016. The Company has carried out various careful and considerate work on the collection of goods at ports, horizontal transportation, loading process and other links for four years. In particular, during the loading operation at the preliminary stage, the Company closely cooperated with manufacturers in solving issues during the loading and transportation and developed scientific and reasonable stevedoring processes, successfully completing the test on goods flipping in advance and ensuring the goods safety and loading and transportation quality. As at the end of 2020, the Company had completed the shipment of a total of 108,200 tonnes of bridge components in 41 batches with 34 vessels.



“Kong Que Song” at Qinhuangdao Port to ship bridge equipment for “Padma Bridge”

# UNDERTAKING ARDUOUS TASKS AND BUILDING A SERVICE PORT

## 3.2 Conducting Scientific Layouts on the “Belt and Road” Initiatives

Following the basic concept of “seeking overseas exploration together and complementing each other’s advantages to achieve common development”, QHD Port actively establishes cooperation mechanisms between the Company and central enterprises in overseas businesses to broaden international horizon, gradually expands its overseas markets, promotes the “going out” of advantageous capacities, seeks new breakthroughs in deep integration with the “Belt and Road” construction and achieves cross-regional transformation and development.

In 2020, the Company conducted connections and research on the PPP project of the Payra Coal Port in Bangladesh, the Bauxite Port project in Guinea, the Ancillary Iron Mine Port project in Sierra Leone as well as other overseas projects and accelerated in advancing the internationalisation pace of the Company.

## 3.3 Fully Upgrading Customer Services

QHD Port adheres to the “customer first, service-oriented” service concept and strives to improve customer service functions and service quality. The Company strictly abides by relevant laws and regulations such as the *Contract Law of the People’s Republic of China* 《中華人民共和國合同法》, *Railway Law of the People’s Republic of China* 《中華人民共和國鐵路法》, *Procedures for Railway Freight Transportation* 《鐵路貨物運輸規程》 and *Administrative Measures for Special Railway Lines and Special Purpose Railways* 《鐵路專用線、專用鐵路管理辦法》. It formulated and implemented the *Ten Commitments for Service Quality* to regulate standards of service quality. It closely followed customers’ demands, deepened the gridding service management system and achieved “creating value for customers”.

### Carrying out “For Your Service” High-quality Service Activity

Despite the sudden pandemic in 2020, the Company practiced the concept of “all for customers, for customers’ all interests and for all customers”, issued the *Letter to All Customers* and joined hands with customers in cooperation to tide over the difficulties. It established a coordination mechanism with joint prevention and control with customs, maritime affairs, frontier defence, shipping agency and other units to ensure the safe and reliable operation at port zones. It provided customers with standard, convenient, efficient and high-quality transportation services, effectively connected coal production, transportation and demand and displayed the role in guaranteeing supply and stabilising the price. It fully safeguarded the transit of materials for fighting against the pandemic at ports and important materials for preventing the pandemic and rescue were given priority in storage and transportation, berthing and stevedoring at Qinhuangdao, Tangshan and Cangzhou port zones. The Company has extended the free stacking period to 21 days for container cargoes since 1 February 2020. It conducted the customer satisfaction evaluation on the “For Your Service”, established the online open column for commitments on high-quality services on the “For Your Service”, carried out online special trainings courses on the *Core and Elements of Quality Services* and the *Customers’ Psychology*, which effectively refined service measures and improved the business efficiency.

### Enhancing Technological Innovation and Consistently Improving the Business Environment

The Company has been exploring business environment improvements through technological innovation since the introduction of its online business platform. Its customer service APP is another milestone in improving the Company’s customer service with the following highlights: Firstly, customers can handle port businesses and obtain port data services through their mobile phones, satisfying customers’ demands for handling businesses at any time and any place; Secondly, customers can publish relevant supply and demand information and achieve automatic matching through mobile phones and establish channels connecting upstream and downstream customers, meeting their customised business demands; Thirdly, customers can achieve port declaration through their mobile phones, improving the efficiency in port declaration as compared with the previous manners through paper, telephone and fax. In the future, the Company will work with customers to strengthen routine business and the maintenance and management of the online business platform to guarantee smooth channels for online handling of port businesses.

### Deepening the Gridding Service Management System

To further improve freight quality and services, the Company continued to deepen the gridding service system and provided services with “special personnel for special customers”. The Company surveyed the market and reserved customer resources through gridding marketing and obtained customer trust and support through the design of individualised logistic transportation plans and targeted contractual terms for sites, achieving mutual benefits and win-win results between ports and customers. The Company transformed towards more flexible service means, enhanced site management, locked sources of scaled products, actively communicated and coordinated with customers and sped up in advancing the execution of port operation contracts on special ports. It reasonably allocated port resources to all sites and strived to meet the individualised and reasonable demands of customers. In 2020, the Company completed 75% of contracts, which is significantly higher than that of 2019. It proactively improved service functions, established and gradually perfected the “supply and demand platform” to set up channels connecting upstream and downstream customers and guarantee the effective transmission of information on coal supply and demand in a timely manner, enhancing the timeliness and effectiveness of purchase and sale transactions.



# UNDERTAKING ARDUOUS TASKS AND BUILDING A SERVICE PORT

## Improving Supplier Management

A complete supplier management system is an important guarantee and effective way to improve customer service quality. The Company has developed all-dimensional appraisal and assessment systems on suppliers, adopted dynamic management measures on suppliers, irregularly conducted all-dimensional reviews on suppliers and established a supplier management pattern with “loose access, strict management, openness and fairness” to ensure the sustainable development of the industrial chain. In 2020, the Company revised the management measures on suppliers, strictly controlled the selection, assessment and appraisal of suppliers and implemented the safety filing system for relevant suppliers of steel, gas, fuel oil and the recycling of other waste materials. In addition, the Company continued to improve the inspection on the supplier system. It collected, summarised and sorted out information on major personnel of suppliers and the agent products and entered into letters of undertaking on integrity operation with suppliers. Meanwhile, the Company also provided suppliers with the “Guideline on Operation of Suppliers” and provided explanations on the access of suppliers, the registration on the materials procurement platform and the business operation to smoothen communication channels. It also opened the working WeChat for suppliers, ensuring that all questions are answered with feedbacks.

In 2020, the Company had a total of 599 suppliers.

# KEEPING PACE WITH THE TIMES, BUILDING AN INTELLIGENT PORT

## 4 KEEPING PACE WITH THE TIMES, BUILDING AN INTELLIGENT PORT

Relying on digitalisation and intelligence, QHD Port encourages innovative research, undertakes national-level demonstration projects and builds an intelligent port.

### 4.1 Encouraging Innovative Research

The Company attaches great importance to technological innovation, abides by the *Patent Law of the People's Republic of China* (《中華人民共和國專利法》), *Implementation Rules of the Patent Law of the People's Republic of China* (《中華人民共和國專利法實施細則》) and *Company Law of the People's Republic of China* (《中華人民共和國公司法》) and protects intellectual property rights and patents. We formulated the *Incentive Measures on Scientific Technology of Qinhuangdao Port Co., Ltd.* (《秦皇島港股份有限公司科學技術獎勵辦法》) and set up the procedures for the application and review of the prize for technological progress, the prize for technological results and the prize for special contributions to reward collectives and individuals with important contributions to technological innovation. To further enhance patent management, we revised the *Patent Management Measures of Qinhuangdao Port Co., Ltd.* (《秦皇島港股份有限公司專利管理辦法》), which clearly provides the ownership of patents, patent application procedures, technology development of patents, patent transfer and implementation licensing, patent protection, and corresponding rewards and punishment measures. In 2020, the Company was authorised nine patents and nine software copyrights.

Meanwhile, QHD Port actively participates in industry exchanges and the formulation of industry standards to promote the progress of the industry. In 2020, we participated in the formulation of the *Guideline on the Rating Evaluation of Green Ports* (《綠色港口等級評價指南》), an industrial standard at the provincial and ministerial level issued by the Ministry of Transport, the *General Provisions for Daily Inspection on Port Coal Stevedoring Systems* (《港口翻車機系統日檢通則》), a group standard at the provincial and ministerial level issued by China Ports & Harbours Association, and the *Standards for Port Coal Transportation Services* (《港口煤炭運輸服務規範》), a group standard at the provincial and ministerial level issued by the China Ports & Harbours Association. The publication of the *Standards for Port Coal and Goods Operation Services* is of significance in standardising the services of coal transportation port enterprises and enhancing the service capabilities of ports, which also marks that the standardisation and institutionalisation of relevant work of Qinhuangdao Port have been recognised in the industry.

### 4.2 Undertaking National Demonstration Projects

The Company proactively undertakes national, provincial and ministerial subjects and incubates technological results with bright industrial prospects and high technology.

As one of the five port demonstration enterprises under the Ministry of Transport (please refer to the *Letter on Relevant Matters about the Beidou-based Application Demonstration Project of Global Sea Transportation* (《關於開展基於北斗的全球海上航運應用示範工程有關事項的函》) (Shui Yun Gang Kou Han [2018] No. 61) issued by the Ministry of Transport), the Company undertook the Beidou demonstration project. Employing the Beidou satellite navigation system, which is developed by our country, as an important platform for information perception and transmission, the Beidou-based application of global sea transportation will facilitate the transformation and upgrading of the modern maritime industry. The purpose of the demonstration project is to promote the normalised application of Beidou equipment in the shipping system, apply Beidou-based terminal equipment and system platforms to advance the intelligent management of tugboat positioning in the port production, prevention of large machinery collision, mobile machinery positioning, digitisation of sites and other intelligent management, build intelligent ports and facilitate the normalised and practical application of the Beidou positioning system in the global seal transportation industry.

### 4.3 Facilitating the Digitalisation Development

QHD Port vigorously explores the application of various modern technologies such as cloud computing, big data and artificial intelligence in the development of ports to improve the comprehensive logistics efficiency and customer service experience and facilitate the digital, intelligent and information-based comprehensive trade ports.

#### Intelligent Sites of Ports and “Unmanned” Transformation

In 2020, we completed the installment of fundamental equipment for No. 1 to 4 stackers and No. 1 to 6 reclaimers and the development and testing of the automatic fundamental functions of stackers and reclaimers for Caofeidian Coal Company. We will complete the transformation and construction of the complete operation system on intelligent sites by the end of 2021 and become an intelligent coal operation port with leading technology in the PRC.

# PROTECTING THE ENVIRONMENT AND CREATING A GREEN PORT

## 5 PROTECTING THE ENVIRONMENT AND CREATING A GREEN PORT

The Company attaches great importance to the construction of a green and ecological port and promotes the institutionalisation and standardisation of environmental management. It focuses on preventing and controlling air and water pollution and adopts energy-saving and water-saving measures. Meanwhile, we also attach importance to the construction of “green hub (綠色樞紐)” and “new ecological harbor (生態新港灣)” to energetically improve the ecological environment of land and sea areas.

### 5.1 Putting in Place Better Environmental Management

QHD Port strictly abides by laws, regulations and provisions such as the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* (《中華人民共和國大氣污染防治法》), *Water Pollution Prevention and Control Law of the People's Republic of China* (《中華人民共和國水污染防治法》), *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes* (《中華人民共和國固體廢物污染環境防治法》), *Marine Environment Protection Law of the People's Republic of China* (《中華人民共和國海洋環境保護法》), and strengthens environmental management. In 2020, the Company released the *Management Measures for the Prevention of Mobile Pollution Sources* (《移動源污染防治管理辦法》) to improve the prevention of mobile pollution sources at ports. It modified and issued the *Emergency Implementation Plan for Heavy Pollution Weather* (《重污染天氣應急響應實施方案》) to improve the targeted and scientific emergency plans. It also modified the *Management Measures for Reward and Punishment in Safety and Environmental Protection Appraisal* (《安全環保考核獎懲管理辦法》), which boosted reward and punishment efforts in appraisal and motivated the enthusiasm and initiative of employees to participate in environmental protection.

The Company implements the responsibility system of environmental protection objectives and the exposure mechanism of environmental problems, includes the environmental protection performance in the annual work objectives and assessment system of the person in charge, and organises and carries out routine inspection on working days, increase the frequency of inspection on holidays, and make night inspection on peak tourist seasons and heavily polluted weather to identify environmental issues in time and urge relevant units to conduct self-inspection and self-rectification. In 2020, the Company launched a total of over 480 times of on-site inspections.

In 2020, aligning with the needs of environmental protection of the port, the Company carried out special trainings for environmental protection management positions and production operators and completed over 750 person-time trainings in total. It further reinforced the environmental protection and management awareness of our employees, helped our employees to form their faith of environment protection and improved their on-site environmental management.

In order to enhance the emergency response capability of the Company, we conducted comprehensive emergency exercises on production and safety accidents and emergency environmental accidents to test the feasibility of emergency plans and proposals of the Company at all levels and improve the emergency response and handling capabilities on emergency environmental incidents.

### 5.2 Protecting Clear Water and Blue Sky

2020 was the final year of the “13th Five-year” Plan and the three-year action plan on winning the battle for a blue sky. QHD Port continues to improve its pollution prevention system and strives to enhance environmental protection and protect clean water and blue sky.

#### Air Pollution Prevention and Control

For air pollution prevention and control, we abide by the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* (《中華人民共和國大氣污染防治法》) and other laws and regulations and issued the *Air Pollution Control Work Plan* (《大氣污染防治工作方案》) to deeply advance the comprehensive treatment of the atmospheric environment and improve air quality through prevention and control of dust pollution, mobile pollution sources, emergency response to heavily polluted weather and the comprehensive treatment of VOCs (volatile organic compounds).

# PROTECTING THE ENVIRONMENT AND CREATING A GREEN PORT

We comprehensively deepened the cleaning of dust and issued the *Action Plan on the Battle for Cleaning Dust* (《積塵清理攻堅行動方案》) to fully deepen the cleaning of dust. We specified the cleaning standards, carried out internal and mutual comparison and consistently consolidated the results of on-site cleaning. We sorted out key difficulties in cleaning coal and dust in port areas and proposed targeted rectification recommendations to promote the improvement of cleaning efficiency and results. We also introduced new technologies and methods, purchased dust suppression equipment and conducted technical transformation, completed the analysis and study on the benefits of the dedusting method for the transfer tower and improved the pollution prevention and control system. The Company installed video surveillance and online dust monitoring equipment in major operation areas for coals to fully master the operation in coal yard and fugitive dust discharge.

We deepened the treatment of mobile pollution sources at ports and controlled the pollution discharge from vehicles. According to regional discharge requirements on prohibiting the use of non-road mobile machinery with high emissions, the Company promoted the utilisation of new energy and put the 4 newly purchased new-energy mobile machinery into use. It comprehensively conducted detection of exhaust emissions of non-road mobile machinery and completed the numbering and registration of non-road mobile machinery in use, the exhaust treatment and transformation of non-road mobile machinery and the installment of DPF (diesel particulate filters) emission-reducing devices. At the same time, we developed an online data monitoring platform on mobile sources in Qinhuangdao Port to master the exhaust emission of equipment and consolidate the foundation for the scientific treatment of mobile pollution sources. We established an environmental and intelligent access control system to share relevant data with motor vehicle management platform of the city's ecological environment department, achieving real-time monitoring on the discharge standards of vehicles at the centralisation and distribution port and ensuring that all vehicles entering and leaving the port meet the requirements on the management and control over vehicles of "key units for the use of vehicles".

In heavily polluted weather, we strictly implemented the requirements of competent government authorities on the prevention and control of dust and the management and control of the centralisation and distribution of vehicles under heavily polluted weather. The Company intensified its regulation assessments of heavy pollution through night inspections and organised port production in a scientific manner to reduce the discharge of pollutants under heavily polluted weather. It carried out comprehensive VOCs treatment at the port and supervised the rectification of potential hazards in the direct emission of VOCs. Meanwhile, the Company intensified its application of the monitoring data of air quality monitoring stations and issued the *Environment and Air Quality Report at Qinhuangdao Port* (《秦皇島港環境空氣質量報告》).

## Water Pollution Prevention and Control

QHD Port strictly abides by the *Water Pollution Prevention and Control Law of the People's Republic of China* (《中華人民共和國水污染防治法》) and other relevant national and local standards to prevent water pollution. We have adopted various measures to prevent and control water pollution, including strengthening compliance treatment of oily sewage, enhancing management and control during the operation process, strictly preventing the discharge of sewage into the sea and supervising coal companies to intensify the operation management of dusty sewage plants. The Company's oily sewage is treated by the oily wastewater treatment plant and then transferred to the municipal wastewater treatment plant by Qinhuangdao Drainage Co., Ltd for reprocessing. In 2020, the total discharge of wastewater, COD and petroleum by the Company was 10,129 tonnes, 2.62 tonnes and 0.01 tonne, respectively.

## Waste Management

The Company strengthened its supervision of its hazardous waste process to achieve safe and stable transfer. In 2020, we implemented the *Law on the Prevention and Control of Environment Pollution Caused by Solid Wastes* (《固體廢物污染防治法》) and officially began our online intelligent monitoring system of hazardous waste storage sites and organised inspections and rectifications of hazardous waste management to fully improve intelligent management and control of hazardous waste. In 2020, 868.78 tonnes of hazardous wastes were safely transferred, and 23,500 tonnes of general industrial solid wastes were generated.



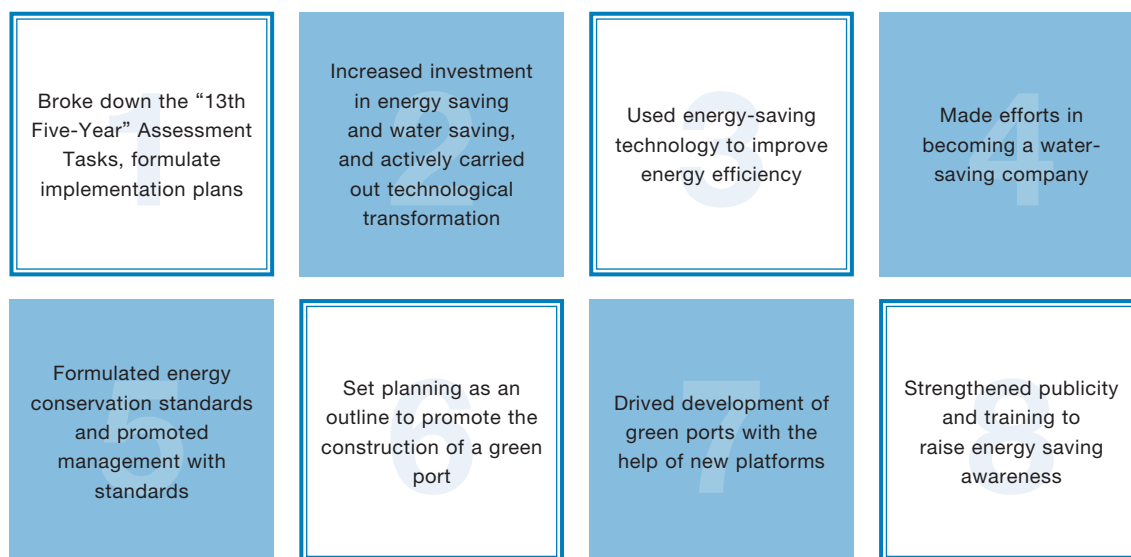
# PROTECTING THE ENVIRONMENT AND CREATING A GREEN PORT

## 5.3 Extensively Exploring Energy-saving Possibilities

We continued to explore energy-saving possibilities and adopted a series of energy-saving and consumption-reducing measures. In 2020, the Company optimised the port zone's energy structure, with the total annual energy consumption of 55,506.52 tonnes of standard coal, resulting in a year-on-year decrease of 3.11%, the energy consumption per unit of output value of 0.1281 tonnes of standard coal per RMB10,000, 0.23% lower than the dual control assessment indicator set out in the "Thirteenth Five-Year" Plan issued by the Municipal Development and Reform Commission. The municipal water consumption was 1,359,500 cubic metres and reclaimed water consumption was 2,131,500 cubic meters. In 2020, the Company's total greenhouse gas emissions were 602,746.01 tonnes of carbon dioxide equivalent, and the greenhouse gas emissions per unit of production value of RMB10,000 were 0.08 tonne of carbon dioxide equivalent/RMB10,000.

The Company has actively developed and implemented energy-saving technical transformation projects to reduce energy consumption. We focused on the strict control of unit consumption in production, optimisation of the production process and the dispatching. QHD Port encouraged the adoption of coal blending with single lines and dual machinery, and fully carried out energy-saving and technological transformation projects. It promoted the application of new energy-saving technologies, strengthened the maintenance and management of energy-saving projects under operation and promoted the implementation of energy-saving projects. In 2020, the Company invested a total of RMB3.76 million in the energy-saving optimisation and technological transformation of production equipment, saving 1.71 million kWh of electricity annually.

In terms of water saving, we promoted the building of a water-saving company and focused on the guarantee of unconventional water resources. In 2020, with water efficiency improvement as the core and based on the standards on the construction of provincial water-saving units, the Company quickly became a water-saving company. It sourced a total of 1,359,500 cubic metres of tap water throughout the year, saving approximately 195,000 cubic metres when compared with the same caliber of the previous year.



Energy and water saving measures

# PROTECTING THE ENVIRONMENT AND CREATING A GREEN PORT

In order to further enhance employees energy-saving and water-saving awareness, the Company carried out energy-saving campaigns, summarised experiences and successful practices in saving energy and water, and extensively conducted exchanges and promotion activities to enhance awareness on resources and energy saving. The Company also arranged for management to conduct or participate in trainings on conserving energy and water.

## 2017-2020 Energy and Water Consumption of the Company

Energy type	Unit	Absolute energy/water consumption				Unit	Energy/water consumption per RMB10,000 output value			
		2017	2018	2019	2020		2017	2018	2019	2020
Raw coal	Tonne	377.84	Fully gave up coal-fired boilers and no use of coal			kg/RMB10,000	0.71	/	/	/
Gasoline	Tonne	116.36	101.00	78.71	79.18	kg/RMB10,000	0.22	0.20	0.16	0.18
Diesel	Tonne	7,198.55	6,867.59	6,295.7	5,843.18	kg/RMB10,000	13.56	13.66	13.19	13.49
Electricity	10,000 kWh	32,379.35	31,848.86	30,233.85	27,939.13	10,000 kWh/RMB10,000	0.06	0.06	0.06	0.06
Steam	Tonne	50,477	51,366	61,733	80,381.4	kg/RMB10,000	95.09	102.17	129.32	185.54
Closed-circuit supply of hot water	GJ	155,821	158,055	147,240.87	145,418.57	GJ/RMB10,000	0.29	0.31	0.31	0.34
Municipal water	Tonne	1,436,608	1,497,222	1,190,006	1,359,502	Tonne/RMB10,000	/	2.98	2.49	3.14
Reclaimed water	Tonne	/	2,318,726	2,539,945	2,131,468	Tonne/RMB10,000	/	4.61	5.32	4.93

## 5.4 Building Green and Ecological Ports

As China raises higher requirements on the development of ports and as green and low-carbon concepts are deeply rooted in the heart of people, the Company attaches greater importance to the construction of green and ecological ports and speeds up in the construction of green, environmental and sustainable ports.

We organised the formulation of the *Construction Plan on the Environmental Monitoring System on a Green Ecological Port at Qinhuangdao Port* 《秦皇島港綠色生態港口環境監測體系建設方案》, completed the formulation of the construction plan on the environmental monitoring system (for air) on green ecological ports, and carried out monitoring on air, water and soil in 2020. In terms of air monitoring, we guided air pollution prevention at the port through monitoring data to guarantee the stable quality of the atmospheric environment at the port.

The Company proactively implemented power construction in the harbor and provided power for vessels berthing at the port that replace fuel auxiliary engine on vessels and reduce noise and environmental pollution. In 2020, we fully completed the construction of power in the berths based on requirements and promoted the use of power in the harbor through prioritising the arrival, stevedoring, berthing and departure of vessels with the use of power in the harbor. The Company adheres to the development concept of a "green and ecological port" and actively advances the construction of a green and ecological port to build a green environment at the port zone. We issued the *Regulations on the Division of Responsible Zones for Environment and Appearance Management (For Trial Implementation)* 《環境容貌管理責任區域劃分規定(試行)》 and fully implemented the *Standards on National Health City* 《國家衛生城市標準》. Through the implementation of the "Clean Sea and Blue Sky", the comprehensive improvement of environment and sanitation, the renovation and improvement of infrastructure and other projects, we deeply advanced the creation of a national health city. Focusing on key areas in the port zone and along the roads, we invested a total of over RMB5.80 million in green improvement and renovation with a total of over 24,000 square metres. For waters clearing, we improved clearing measures under particular circumstances. In 2020, the Company cleared 268.2 tonnes of marine garbage, thereby guaranteeing the environmental quality of the waters at the port.

# PROTECTING PORT SAFETY AS FIRST PRIORITY

## 6 PROTECTING PORT SAFETY AS FIRST PRIORITY

QHD Port adheres to the working policy of safety production featuring “safety first, prioritising prevention, comprehensive treatment and full participation”, values the safety production highly, firmly establishes the concept on safe development and fully implements subject responsibilities on safety production. We conducted the construction of the “dual control” mechanism on safety production and standardised safety production to prevent and dissolve significant safety risks and endeavored to build an intrinsically safe port. In 2020, the Company further improved traffic and fire prevention management on roads at ports and continuously guaranteed safety production and operation based on emergency exercises and hidden hazards screening. The Company enhanced the safety awareness of employees through safety education and trainings at all levels. Meanwhile, it intensified occupational health management on employees and effectively prevented, controlled and eliminated hazardous elements on occupational diseases in working places to protect the life safety and occupational health of employees.

### 6.1 Strengthening Safety Management

In accordance with the laws and regulations on safety production such as the *Work Safety Law of the People's Republic of China* 《中華人民共和國安全生產法》, *Law of the People's Republic of China on Ports* 《中華人民共和國港口法》, *Road Traffic Safety Law of the People's Republic of China* 《中華人民共和國道路交通安全法》 and *Fire Protection Law of the People's Republic of China* 《中華人民共和國消防法》, QHD Port formulated the *Production Safety Accountability System* 《安全生產責任制》, *Procedures for Safety Operation* 《安全操作規程》, *Comprehensive Emergency Proposal on Production Safety Accidents of Qinhuangdao Port Co., Ltd.* 《秦皇島港股份有限公司生產安全事故綜合應急預案》 and other internal rules and systems on safety production of the Company.

In 2020, the Company formulated the *Key Points in Safety Production Work in 2020* 《2020 年度安全生產工作要點》, requiring all departments and subsidiaries striving to achieve the target of “‘zero’ accidents in safety production” following the working policy of safety production featuring “safety first, prioritising prevention, comprehensive treatment and full participation”. The Company strictly implemented subject responsibilities on safety production at all levels, broke down appraisal indexes on safety production at different levels and entered into the *Letter of Undertaking on Safety Production* or the *Letter of Responsibility on Safety Production* at all levels. It incorporated appraisal indexes and responsibilities on safety production into the letters of undertaking and responsibility, made and practiced undertakings at all levels to ensure the fulfillment of targets on safety production.

Meanwhile, QHD Port continued the standardised construction of safety production. It revised and improved the standardised appraisal implementation rules on safety production of operation teams and groups and quantised appraisal indexes with reference to the appraisal implementation rules of grade-1 enterprises on standardised safety production to provide standards and basis for the construction of and the inspection on standardised safety production. Based on the standardised appraisal implementation rules on safety production of the Company, we will conduct appraisal level by level and promote the standardised construction of safety production to dynamically meet standards at any time and strive to build an intrinsically safe port.

For the treatment of hidden hazards, the Company strictly abides by the *Regulations on Safety Production of Hebei Province* 《河北省安全生產條例》, *Regulations on Safety Production Risk Control and Hidden Dangers Control in Hebei Province* 《河北省安全生產風險管控與隱患治理規定》 and *Plans for Implementing the Construction of the Dual Prevention Mechanism for Furthering Safety Production Risk Hierarchical Management and Hidden Danger Screening and Control in Hebei Province* 《河北省深入推進安全生產風險分級管控和隱患排查治理雙重預防機制建設工作實施方案》. The Company formulated the *Administrative Measures for Safety Production Risk Control and Hidden Dangers Control of Qinhuangdao Port Co., Ltd.* 《秦皇島港股份有限公司安全生產風險管控與隱患治理管理辦法》, *Guide to Safety Production Risk Management of Qinhuangdao Port Co., Ltd.* 《秦皇島港股份有限公司安全生產風險管控工作指南》 and other internal documents to implement subject responsibilities on safety production, establish the dual prevention working mechanism on hierarchical control on safety production risks and the inspection and treatment of hidden hazards to prevent and reduce safety production accidents. The Company shifted the priority of work from safety inspection and hidden hazards screening to risk identification, management and control and the dual prevention and to the scientific prevention and dissolving of risks to practically solve issues “out of consideration” and “out of control”.

# PROTECTING PORT SAFETY AS FIRST PRIORITY

In addition, QHD Port identified “four keys” in the safety production management work to prevent and dissolve significant safety risks.

Keys	Requirements
Key period	Focusing on safety management during the “Spring Festival holiday”, “Two Sessions”, “summer months”, “flood period”, “winter” and other key periods, all levels and departments of the Company shall make judgment and deployment in advance, effectively respond and formulate targeted working plans based on actual work conditions.
Key operation	Focusing on safety management of cargo stevedoring, coal cleaning, hazardous goods, repairing and construction and other key operations with complicated procedures and high dangers, the Company shall conduct risk analysis before operation, formulate operation plans and safety measures and strictly implement them, strictly fulfill operation permit procedures and remind and notify risks. During the operation, it shall arrange special staff on supervision, strictly implement procedures on safety operation and strengthen on-site supervision and inspection on operation and unified and coordinated management.
Key areas	Focusing on supervision, inspection and management on oil ports, tank areas, unloading machinery rooms, transfer towers, bulk grain storage silos, transformer stations (substations), high-rises, people gathering places and other key areas to ensure the completeness and effectiveness of monitoring, alarming, electric systems as well as various protective devices, the implementation of fire-prevention, anti-explosive and anti-static safety technical measures and immediate rectification of possible accidents.
Key positions	Focusing on safety management of dangerous operations, large-scale machinery operation at ports, operation of hazardous cargoes, repairing and construction operation, coal cleaning and other key positions. It shall strengthen safety education and training on employees at key positions and shall not arrange employees with occupational contraindications to conduct relevant operation; strictly implement various safety measures in operation to control safety risks; strengthen supervision and inspection on special operators with corresponding certificates and prohibit operation by employees without required certificates or holding invalid certificates.

## Case study: QHD Port carries out special inspections on safety, environmental protection, flood prevention and pandemic prevention and control

On 4 August 2020, Mr. Cao Ziyu, Party Committee Secretary and Chairman of QHD Port, led a team and carried out special inspections on safety, environmental protection, flood prevention and pandemic prevention and control at the sewage treatment plant of the First Branch, the port of the Seventh Branch and other production and operation sites. Mr. Cao required all units and departments to firmly establish a sense of overall situation, coordinate key work on safety, environmental protection, flood prevention and pandemic prevention and control based on seasonal characteristics and endeavor to guarantee the efficient operation and orderly progress of various production work at the port.



QHD Port carried out special inspections on safety, environmental protection, flood prevention and pandemic prevention and control



# PROTECTING PORT SAFETY AS FIRST PRIORITY

## 6.2 Ensuring Production Safety and Operation

In 2020, QHD Port further maintained road traffic safety and fire prevention management, revised and improved the *Supervision and Management Measures for Fire Prevention* (《消防安全監督管理辦法》) and *Supervision and Management Measures for Road Traffic Safety in the Port* (《港口道路交通安全監督管理辦法》). Meanwhile, it conducted comprehensive emergency exercises on safety production accidents to test if relevant departments, units and employees of the Company are familiar with their own working responsibilities and can effectively coordinate, link and cooperate to guarantee safety production and operation. In 2020, the Company recorded 3 work-related injuries without death and 4,540 days lost due to work-related injuries.

### Road Traffic Safety

The Company formulated the *Supervision and Management Measures for Road Traffic Safety in the Port of Qinhuangdao Port Co., Ltd.* (《秦皇島港股份有限公司港口道路交通安全監督管理辦法》) in accordance with the *Road Traffic Safety Law of the People's Republic of China* (《中華人民共和國道路交通安全法》), *Regulation on the Implementation of the Road Traffic Safety Law of the People's Republic of China* (《中華人民共和國道路交通安全法實施條例》) and other relevant laws and regulations. It set up road traffic facilities and traffic signs and marking in the port according to relevant regulations and enhanced the management of duty drivers, requiring them to obtain driving licenses in accordance with laws, drive motor vehicles based on the type permitted in the license and conduct inspections according to laws. It also standardised the management of motor vehicles of respective units, obtained the driving permits and cards according to laws and conducted inspections as scheduled. In addition, the Company has actively carried out publicity and education on traffic safety regulations and the implementation of the “three inspections” system for motor vehicles.

### Fire Prevention

In accordance with the *Fire Protection Law of the People's Republic of China* (《中華人民共和國消防法》), and *Regulations on Fire Prevention for Governmental Departments, Entities, Enterprises, and Institutions* (《機關、團體、企業、事業單位消防安全管理規定》) issued by the Ministry of Public Security and other relevant laws and regulations on fire prevention, the Company formulated the *Supervision and Management Measures for Fire Prevention of Qinhuangdao Port Co., Ltd.* (《秦皇島港股份有限公司消防安全監督管理辦法》) and *Administrative Measures for Fire Prevention Archive of Qinhuangdao Port Co., Ltd.* (《秦皇島港股份有限公司消防檔案管理辦法》) and beefed up its supervision and management of fire prevention of the Company to prevent and reduce fire disasters. The Company conducts fire risk screening every quarter, and requests its frontline units to do so once a month, operation squads every ten days and the individual teams once a week, with inspection records documented properly.

In 2020, the Company formulated the *Key Points in Safety Production Work in 2020* (《2020 年度安全生產工作要點》), requiring all units carrying out inspections on possible fire hazards, organising appraisal on fire prevention and rectify problems found in the fire prevention assessment; standardising the management of fire prevention facilities and devices and carrying out examinations on fire prevention facilities; strictly approving the use of fire, implementing prevention measures on fire prevention on site and standardising the use of fire; enhancing fire prevention education on employees and improving the “four capabilities” of employees on fire prevention. Meanwhile, to improve and implement the emergency systems on safety production accidents and emergent environmental incidents, the Company and the Qinhuangdao Fire Rescue Detachment carried out the “comprehensive emergency exercises on safety production accidents and emergent environmental incidents” in July 2020, fully testing the effectiveness and applicability of the emergency proposals of the Company.

# PROTECTING PORT SAFETY AS FIRST PRIORITY

## Case study: QHD Port held “comprehensive emergency exercises on safety production accidents and emergent environmental incidents”

On 14 July 2020, QHD Port, Qinhuangdao Emergency Management Bureau, Qinhuangdao Fire Rescue Detachment, Qinhuangdao Ganghang Bureau of Public Security, the professional Fire Rescue Team at Qinhuangdao Port, Port Hospital and other departments and units carried out “comprehensive emergency exercises on safety production accidents and emergent environmental incidents” at the north tank area of the First Branch of QHD Port.



Comprehensive emergency exercises on safety production accidents and emergent environmental incidents in 2020

## Case study: “119” fire prevention publicity and education activities

On 11 November 2020, “119” fire prevention publicity was initiated in Xigang Garden. The activity was jointly undertaken by Hebei Port Group, QHD Port, Qinhuangdao Port Bureau of Public Security and Port Fire Rescue Battalion with the theme of “caring about fire prevention and life of priority” with the purpose of building a leading safe port.



Display of fire prevention equipment



Employees enter experience area for fire and smoke

# PROTECTING PORT SAFETY AS FIRST PRIORITY

## 6.3 Leading by Safety Awareness

In order to standardise and strengthen safety education and trainings, and improve safety quality and safety operation skills of employees in accordance with the *Work Safety Law of the People's Republic of China* (《中華人民共和國安全生產法》), former *Regulations of the State Administration for Safety Production Supervision on Safety Trainings of Production and Operation Companies* (《國家安全生產監督管理總局生產經營單位安全培訓規定》), *Opinions of the Office of the Safety Production Commission of Hebei Province on Comprehensively Strengthening Safety Production and Occupational Health Trainings across the Province* (《河北省安全生產委員會辦公室關於全面加強全省安全生產和職業健康培訓工作的實施意見》) and other relevant laws and regulations, QHD Port formulated the *Administrative Measures for Safety Education and Trainings of Qinhuangdao Port Co., Ltd.* (《秦皇島港股份有限公司安全教育培訓管理辦法》), which incorporated the safety education and training work into the education and training management system of the Company. The safety education and training of the Company consists of the four-level safety education, safety production re-education and routine safety education, trainings on safety production qualification and professional safety education, allowing employees to have a sufficient understanding and knowledge on the safety systems and rules of the Company, the harmful elements they may be exposed to, the safety requirements on their operation, safety operation risks and safety control measures, protective measures on occupational health and emergency knowledge. The Company established the *Archives for Safety Education and Trainings of Employees* (《員工安全教育培訓檔案》) for all employees to record the safety education and trainings on employees in details.

In 2020, QHD Port strictly controlled safety production qualification trainings, and ensured that safety production management and special operators have corresponding certificates. Meanwhile, it strengthened the construction of the safety production trainer team and arranged technical staff, technicians and registered safety engineers with on-site working experiences to join the trainer team to achieve the organic integration of trainings and practical work. The Company carried out trainings on safety skills of employees at key positions, strictly controlled the quality of trainings and enhanced trainee management during the trainings to ensure the actual results of safety trainings. In 2020, a total of 10,434 employees participated in various safety and occupational health-related trainings, where 4,556 employees were granted relevant certificates.

### Case study: Knowledge Contest on Safety and Environmental Protection

On 18 December 2020, the Company's "Knowledge Contest on Safety and Environmental Protection Finals" was held at the Comprehensive Services Development Centre of QHD Port. The contest was sponsored by the Safety Supervision Department, Sanitation and Environmental Protection Department, Labour Union and Youth League and undertaken by the Comprehensive Services Development Centre of the Company. The finals was conducted in the form of quick response questions. After five rounds of competitions, the Comprehensive Services Development Centre representative team won first prize.



Knowledge Contest on Safety and Environmental Protection

# PROTECTING PORT SAFETY AS FIRST PRIORITY

## 6.4 Protecting Occupational Health

QHD Port attaches great importance to employees' occupational health management. In accordance with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》), *Administrative Regulations on Employers' Protective Equipment of Labour* (《用人單位勞動防護用品管理規範》), *Provisions on the Supervision and Administration of Occupational Health at Work Sites* (《工作場所職業衛生監督管理規定》) and other relevant laws and regulations and based on the actual conditions of the Company, it formulated the *Administrative Measures for Occupational Health Protection of Qinhuangdao Port Co., Ltd.* (《秦皇島港股份有限公司職業健康監護管理辦法》), *Administrative Measures for Protective Equipment of Labour of Qinhuangdao Port Co., Ltd.* (《秦皇島港股份有限公司勞動防護用品管理辦法》), *Administrative Measures for Workplace's Occupational Health Supervision of Labour of Qinhuangdao Port Co., Ltd.* (《秦皇島港股份有限公司工作場所職業衛生監督管理辦法》) and other internal rules and systems to standardise the occupational health protection, enhance the procurement, safeguarding, distribution and use management of protective equipment of labour and further standardise the occupational health management of workplace of the Company to effectively prevent, control and eliminate the hazardous elements on occupational diseases at workplace and protect the life safety and occupational health of employees.

The Company continued to improve the labour conditions of positions with dangers to occupational health, strengthened the governance of workplace with harms to occupational health exceeding the limit to human body and standardised the regulation on the protective facilities on occupational diseases, individual protective items, notification of harms of occupational diseases and protection of occupational health. The Company regularly arranges occupational health checkup for employees that are exposed to dangers of occupational diseases, and the results are recorded in their individual archives for the protection of occupational health. In addition, the Company consistently intensifies the monitoring and appraisal control and the "three simultaneous" process management to deeply explore and deal with issues in the prevention and treatment of dangers to occupational health.

In 2020, the Company had no recorded employee occupational disease. The health checkup rate of all employees was 80% and the occupational health checkup rate of the employees who were exposed to occupational hazards was 100%.

# BUILDING A HAPPY PORT BY PUTTING PEOPLE FIRST

## 7 BUILDING A HAPPY PORT BY PUTTING PEOPLE FIRST

QHD Port actively safeguards the rights and interests of employees and establishes a complete training system to facilitate employee development. It cares about employees' life and assists impoverished and vulnerable employees to guarantee the sustainable development of human resources of the Company.

### 7.1 Safeguarding Rights & Interest of the Employees

QHD Port strictly implements the *Labour Law of the People's Republic of China* (《中華人民共和國勞動法》), *Labour Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》) and other relevant laws and regulations and strictly prohibits and resists any form of child labour and forced labour. Meanwhile, the Company formulated the *Administrative Measures for Human Resource Management of Qinhuangdao Port Co., Ltd.* (《秦皇島港股份有限公司人事管理辦法》), *Administrative Measures for Employee Recruitment* (《員工招聘管理辦法》) and other employee management systems. Following the principles of "legality and fairness, equality and willingness, negotiation, honesty and trustworthiness", the Company enters into written labour contracts with employees to determine the employment relationship, specify the responsibilities, rights and obligations of the Company and employees, regulate the behaviours of both parties and guarantee the legitimate rights and interests of employees. In 2020, QHD Port had a total of 11,235 employees and the labour contract coverage reached 100%.

In 2020, the Company optimised the remuneration and incentive mechanism and fully implemented reform of the remuneration system. The Company interviewed major leaders and responsible persons on remuneration of all units to implement subject responsibilities, guided all units to estimate employee income after remuneration reform and promoted distribution of more remuneration to high-level talents with high skills at key positions, the production frontline positions and in those in urgent need. The Company formulated the *Administrative Measures for Remuneration of Management Members* (《經理層成員薪酬管理辦法》) to enhance the appraisal and incentive on leaders. The performance-based annual bonus of management members is linked with profits achieved, return on equity, revenue and the labour productivity of all employees. Meanwhile, it conducted appraisals on office terms and integrated short-term benefits with medium – and long-term targets to further motivate the enthusiasm and creativity of management members and consistently stimulate the vitality for the high-quality development of the Company. In addition, the Company actively promoted employee performance management, organised and convened special meetings to promote employee performance management work and boosts efforts in business guidance and inspection supervision. The Company carried out special inspections on employee performance management for units under it, promoted the linkage of appraisal results with performance-based bonus, strengthened target orientation and sense of responsibility of employees and facilitated the continuous improvement of employees' performance, achieving improvement in the overall performance of the Company.

### 7.2 Supporting Career Development

QHD Port focuses on the strategic development of Qinhuangdao Port and makes training a new driving force to unleash the vitality of talents. It formulated the *Administrative Measures for Staff Education and Training* (《員工教育培訓管理辦法》). In 2020, the Company envisaged internal resources advantages and conducted multi-level and effectiveness-focused education and training programs by taking service, production and operation training as the foothold, and improved the stability, flexibility and integrity of the human resources team. The Company trained a total of 27,451 employees throughout the year.

Average training hours of employees of QHD Port

Type of employees		Average training hours (hour)
By gender	Male staff	24
	Female staff	6
By type	Management personnel	3
	Technical staff	3
	Production workers	18
	Service personnel	2
	Other staff	4
Average training hours of employees		22



# BUILDING A HAPPY PORT BY PUTTING PEOPLE FIRST

In 2020, the Company further advanced the quality and efficiency improvement in education and trainings. It carried out the information-based establishment of education and trainings, initiated staff education and the training management system, cancelled paper approvals and achieved approvals without going to the office. With the improvement of the quality of grass-roots staff team, it organised trainings on improving the skills of medium management, medium reserve cadres and young talents on safety and environmental protection under the health segment to improve their awareness of crisis, innovation and development.

The Company proactively optimised the talent appraisal mechanism to release the vitality of technical talents in innovation and entrepreneurship. It improved the talent appraisal system in conformity to transformation and development, appraised talents in a scientific, objective and impartial manner and expanded talent appraisal from high-skilled talents to all skilled talents at the port. It drafted implementation plans on the certification of the levels of vocational skills to enrich the appraisal methods of skilled talents and organised online trainings on the certification of the levels of port vocational skills, developing a new mechanism on the appraisal of skilled talents with the integration of trainings, certification and appraisal.

In addition, the Company continued to promote staff position management reform to ensure smooth transitions. In 2020, the Company had completed the preliminary certification of the positions (levels) of all employees through gradual promotion in different phases and batches, established the basic system for staff position management and drafted the *Administrative Measures for Promotion of Staff Positions (Pilot)* (《員工職位晉升管理辦法(試點)》), which laid the foundation for further optimisation of staff position management and advancing remuneration reform.

## Staff Skills Competition

The Labour Union of the Company organised the 2020 Staff Skills Competition in August 2020 to enhance talent construction and improve the Company's overall staff quality. The competition consisted of practical operation competitions and theoretical knowledge examinations, covering 7 types of work and including a Fluid Loaders Skills Competition, Electrician Skills Competition and Air Compressor Disassembly and Assembly Skills Competition for marine engineers. Based on the competition results, the Company awarded the title of Top Technical Staff to 7 employees.



Fluid Loaders Skills Competition



Electrician Skills Competition



Marine Engineer Competition

# BUILDING A HAPPY PORT BY PUTTING PEOPLE FIRST

## Trainings for Internal Trainers

The Company actively carried out internal trainings and offered training camps for team building to improve the overall quality of internal trainers. It focused on fostering the analysis and course design capabilities of internal trainers, learning and mastering the procedures of course development and design and the use of instruments and enhanced the cooperation and cohesiveness of internal trainers to build a team of internal trainers with strong teaching capabilities and harmonious unity and help all employees improve their working performance. In July 2020, the Company carried out its second training camp on originality courses for internal trainers and a total of 76 certified internal trainers participated in the training.



Trainings for internal trainers

## Innovation Studios

The Company deeply advances the establishment of innovation studios. It currently has 17 innovation studios, including 1 innovation studio for national model workers, craftsmen talents and 7 provincial innovation studios. In 2020, to stimulate the innovation and creation potential of employees, improve the quality and skills of more employees and expand employees development potential, the Company established the Qinhuangdao-Tangshan-Cangzhou association of innovation studios for model workers and set up the "Originality and Innovation Studio" through the strategic cooperation with the Qinhuangdao Technician College.



Signing ceremony of the joint innovation studio between universities and enterprises

# BUILDING A HAPPY PORT BY PUTTING PEOPLE FIRST

## 7.3 Caring for Employees' Life

QHD Port cares for the spare time of employees and actively organises a series of cultural and sports activities. In 2020, the Company held its first employee poetry contest with the theme of "Praising Homeland • Rhyming Ports", and established a long-distance running association and public chess and card association. The Company encouraged employees to participate in provincial and municipal cultural and sports competitions. It arranged for employees to participate in the "Big Study" online recitation competition among employees in Hebei Province and was awarded a prize for outstanding organisation. Employees were awarded first and third prizes during the competition. The Company also encouraged employees to participate in the selection of typical figures in sports and health in Qinhuangdao City and was awarded the title "Star of Health". It also arranged for employees to participate in the "Five Ones" boutique creation competition in Hebei Province, in which the Company and employees were awarded a prize for Outstanding Organisation and first and excellent prizes.

### Case study: Cultural and artistic performances held during the 2020 Spring Festival holiday

In early 2020, the Company held at the Port Club a cultural and artistic performance during the Spring Festival holiday. It displayed the new appearance of port employees under the new times through songs, dances, recitations, allegros, sand paintings and other artistic forms, and expressed the Company's firm determination to create new patterns in transformation and upgrades towards high-quality development with united efforts. The performance was broadcasted live through the official WeChat account. The public and on-site employees watched the programs simultaneously and enjoyed happiness during the new year. The programs recorded over 120,000 views.



Cultural and artistic performances held during the 2020 Spring Festival

### Case study: Employee poetry competition

On 29 September 2020, the employee poetry contest finals with the theme of "Praising Homeland • Rhyming Ports" began. During the finals, the public viewed 6 original works about the Port's 100 years of history through introduction and performance from authors and performers. Participants displayed classic poetry rhythms through recitation. Eight participant groups strived to be the first in "Gaining Advantages", "Sharp Eyes" and "Feihualing".



Employee poetry contest with the theme of "Praising Homeland • Rhyming Ports"

### Case study: Second marine sailing group building activity with the theme of "Sailing from Xinxu Port and Realising the Dream of Building a Strong Port"

In 2020, over 50 model workers, employee representatives from grass-roots units and Company authorities participated in a group building activity in which they sailed the seas.



# BUILDING A HAPPY PORT BY PUTTING PEOPLE FIRST

## Helping Employees in Need

In 2020, the Company carried out targeted assistance work. On the foundation of eliminating difficulties, the Company assisted non-impoveryished low-income staff families and included them in the Company's scope of assistance. Following the principle of "providing whatever in need", it offered classified and poverty-based assistance, and established gradient assistance patterns to help employees in need to eliminate hardships and prevent poverty. The Company launched the "Golden Autumn Student Aid" activity and helped 8 children of employees realise their dreams of studying in schools. The total assistance fund amount was RMB1.16 million for the year.



QHD Port carries out charity and caring activities

## Caring for Employee Health

In 2020, the Company carried out charity and caring activities with a total donation of RMB136,000. It completed municipal mutual medical insurance renewal work for employees, distributed mutual assistance funds of RMB405,000 in total, and renewed employees' family property insurances.

### Case study: The Company launched its online fitness program "Move and Keep Healthy"

To boost employees physical health, the Company launched its online fitness program – "Move and Keep Healthy" through its official WeChat account "Port Benefits" (港口惠) in April 2020. It provides bodybuilding exercises, aerobic dances and other teaching videos every week and has received positive responses and appraisals from employees.



"Move and Keep Healthy" fitness program



# BUILDING A HAPPY PORT BY PUTTING PEOPLE FIRST

## Case study: QHD Port conducted “Bring Coolness in Summer” activities

In 2020, QHD Port carried out “Bring Coolness in Summer” activities during the summer months and provided production line employees and labourers mineral waters, beverages, teas, chrysanthemums and watermelons.



“Bring Coolness in Summer” activities

## Case study: The Company organised radio gymnastics, table tennis and other sports activities

The Company organised radio gymnastics, table tennis and other sports activities for its employees. The radio gymnastics activities were popular among the 246 performance works of grassroots labour unions across the province and received honours. It displayed the aggressive and hard-working spirit of employees at the port.



Radio gymnastics, table tennis and other sports activities



# BUILDING A HAPPY PORT BY PUTTING PEOPLE FIRST

## Protection of Female Employees' Rights

QHD Port pays attention to the physical and mental health of female employees and the healthy growth of their children. In accordance with the *Law of the People's Republic of China on the Protection of Rights and Interests of Women* (《中華人民共和國婦女權益保障法》), *Special Provisions on Labour Protection of Female Employees* (《女職工勞動保護特別規定》) and other relevant laws and regulations, the Company formulated the *Collective Contract on the Protection of Rights and Interests of Female Employees* (《女職工權益保護集體合同》). The Company provides female employees maternity and breastfeeding leave. In addition, they prohibit certain works for pregnant and breastfeeding female employees, including positions where employees are exposed to toxic or radioactive substances and are high-intensive physical labour.

### Case study: Activities to care for female employees

In 2020, to achieve the target of improving satisfaction among female employees, QHD Port carried out activities for its female employees with the theme of "Warm May • Love in Early Summer". It helped female employees keep an active and optimistic mentality through providing care, health, knowledge, etc. in order to create an atmosphere of care for female employees.



Activities to care for female employees

### Case study: Mental health trainings for female employees

On 10 November 2020, the Company organised an "Emotion Management" special course for female employees mental health. The course consisted of "Dance by the Mind" and "Experience Teaching" and helped female employees analyse and deal with emotions and pressures of work and life in a right manner through simulated experience and sharing.



# BUILDING IN HARMONY, BEING A CHARITABLE PORT

## 8 BUILDING IN HARMONY, BEING A CHARITABLE PORT

We continue to perform social responsibilities, promote social undertakings and create value for the society by leveraging on our own professionalism and resources. We implemented targeted poverty alleviation, improved social well-being, cared about local communities and participated in volunteering activities to pass love and warmth with practical actions.

### 8.1 Implementing Targeted Poverty Alleviation

QHD Port carefully implemented the strategic deployment of poverty alleviation work and provided targeted assistance to Shimenzi Village in Qinglong County. With the focus on “consolidating results, improving quality, perfecting mechanism and facilitating development”, the Company leveraged on its port advantages and contributes “the strength of QHD Port” in lifting impoverished population and villages out of poverty with high quality.

The Company deeply implemented various assistance measures and carefully planned poverty alleviation work. The leading group of poverty alleviation work holds special meetings every month. It issued the *Arrangements on Key Poverty Alleviation Work of QHD Port in 2020* (《2020 年股份公司扶貧攻堅重點工作安排》) and 17 issues of *Progress of Poverty Alleviation Work* (《扶貧工作動態》), and established a poverty alleviation pattern with coordinated leadership, division of labour with individual responsibility and joint promotion. In addition, the Company formulated the *Three-year Poverty Alleviation Planning on Impoverished Villages* (《貧困村三年脫貧規劃》), *Assistance Plan on Impoverished Villages in 2020* (《2020 年度貧困村幫扶計劃》) and other plans, laying solid political, organisational and systematic guarantees to winning the battle for poverty alleviation.

In 2020, 23 of the Company's employees were paired up with 93 poor households in Shimenzi Village in Qinglong County. Employees visited every two months to carry out “four ones” activities on poor households, namely identifying one difficulty, solving one issue, conducting one communication and interpreting one policy. They provided offerings to poor households and helped them solve practical difficulties and expand revenue sources. The village working team strictly implemented poverty alleviation policies on basic living allowance, social security, disability compensation, returning farmland to forestry, direct subsidies to grain producers and education-based poverty alleviation of the superior civil affairs and other departments, fully solved the issues on “three guarantees” and drinking water safety, fundamentally changing the living environment of the village. It carried out poverty alleviation by consumer purchasing and promoted the development of major industries and the collective economy of the village through recommending and ordering green agricultural products of poor villages, opening channels for poverty alleviation by consumer purchasing and establishing the benefit linkage mechanism. The Company held activities on the promotion of products for poverty alleviation with the theme of “poverty alleviation by consumer purchasing and state-owned capitals in Hebei make contributions” during the National Day holiday and sold products for poverty alleviation totalling RMB1.25 million in 17 days. During the prevention and control of the pandemic, the Company communicated with poor households through telephone, WeChat and other means to publicise knowledge on pandemic prevention and communicated on job positions with poor households. It also donated tents, disinfectants, masks, temperature guns, instant noodles and other materials for pandemic prevention.

# BUILDING IN HARMONY, BEING A CHARITABLE PORT

## Case study: Company leaders inspected and supervised poverty alleviation works of village households

In 2020, Company leaders made 9 visits to an impoverished village to inspect key difficulties in poverty alleviation, and formulated resolutions and checked the implementation of “reviews”. They visited poor households, publicised poverty alleviation policies, improved assistance thoughts based on problems and set up the list of tasks to guide the effective implementation of poverty alleviation work. Company leaders listened to special reports made by the village working teams and promoted consolidation and expansion of poverty alleviation results.



Company leaders visit poor households

## Case study: Promoted the industrial development of impoverished villages through poverty alleviation by consumer purchasing

The Company promoted industrial development of impoverished villages through poverty alleviation by consumer purchasing. With the model of “leading enterprises in poverty alleviation + assistance units + impoverished villages”, it established industrial bases and agricultural product processing plants and provided stable employment positions for Shimenzi Village, which boosted the revenue of the collective economy and households and was recognised by the national supervision group.



Company leaders visited demonstration bases for poverty alleviation in Shimenzi Village

# BUILDING IN HARMONY, BEING A CHARITABLE PORT

## 8.2 Building a Harmonious Society

The Company implemented the CPC Central Committee's decisions and deployments on carrying out civilised practices in new times and conducted volunteering services. It arranged for volunteers to visit communities and grass-roots organisations with full enthusiasm, sincere love, professional skills and considerate services to bring warmth to others and contribute to society. In 2020, the Company's total volunteer services reached 52,045 hours with a total input of RMB3,417,816.

In 2020, facing the unprecedented COVID-19 pandemic, the Company adhered to the concept of "returning the Party and the country, serving local residents, undertaking responsibilities and putting customers first" and vigorously supported local CPC committees and governments in fighting against the pandemic. It arranged volunteers from 18 units to work in 14 positions in 5 communities and fully undertook tasks in the prevention and control of the pandemic. 9,558 person-times participated in activities and contributed 49,125 hours of volunteer services, firmly establishing image of SOEs in undertaking responsibilities.



Volunteers carried out pandemic prevention services in communities

With the guiding ideology of "serving society, serving the overall situation, serving young people" and the service objective of "based on the port area and serving the society", the Company established a youth volunteer association and continuously carried out sanitation cleaning, small household appliances repairing, caring for the elderly and minors and other volunteer activities in communities. It conducted an activity with the theme of "Youngsters Pioneering in Pandemic Prevention" and 488 young volunteers carried out knowledge publicity regarding pandemic prevention, interpretation of policies and measures, guaranteeing production and operation, and other volunteer services. In 2020, the Company's youth volunteer association had over 500 registered volunteers and carried out over 60 volunteer activities with over 800 participants and over 1,600 hours.



# BUILDING IN HARMONY, BEING A CHARITABLE PORT

## Case study: Performed volunteer services together

5 December 2020 was the 35th “International Volunteers’ Day”. Over 300 volunteers from the Company carried out 9 volunteer activities, including theory publicity, appliances repairing, long-distance running and radio gymnastics at the Qinhuangdao International Tourism Port.



Volunteers repaired appliances



Volunteers performed radio gymnastics

## Case study: Helped communities and created volunteer services

The Company actively performed social responsibilities. It organised over 200 volunteers to prune plants, clean advertisements and dispose white rubbish in communities. A total of 36 tonnes of construction rubbish was cleaned.



Volunteers cleaned up garbage in communities